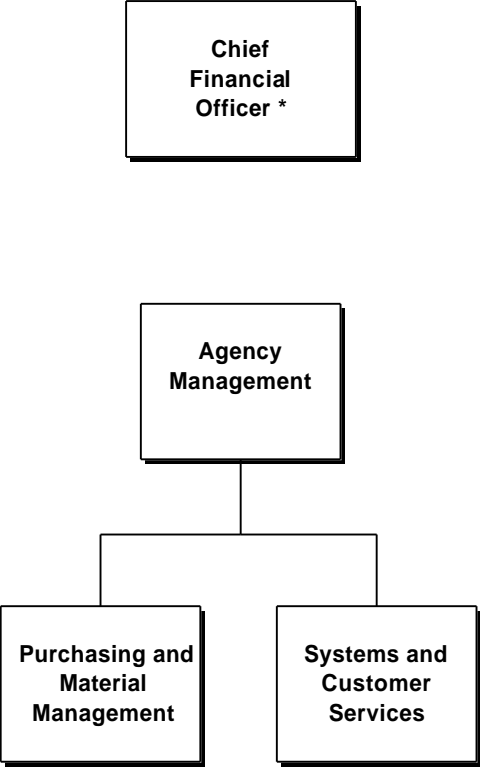


DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT



* The Chief Financial Officer has responsibility for strategic direction and oversight of this agency; however, for budget purposes, this position and associated funding are reflected within the Department of Management and Budget.

DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

Agency Position Summary

57 Regular Positions (-2) / 57.0 Regular Staff Years (-2.0)

Position Detail Information

AGENCY MANAGEMENT

1 Director
2 Management Analysts III
2 Administrative Assistants IV
2 Assistant Buyers
1 Administrative Assistant III (-1)
3 Administrative Assistants II
11 Positions (-1)
11.0 Staff Years (-1.0)

PURCHASING AND MATERIAL MANAGEMENT

1 Deputy Director
2 Purchasing Supervisors
10 Buyers II
2 Buyers I
1 Assistant Buyer
1 Property Management Supervisor
1 Electronic Equipment Technician II
1 Warehouse Supervisor
1 Warehouse Specialist
1 Material Requirements Specialist
1 Administrative Assistant III
2 Storekeepers
7 Warehouse Worker-Drivers
1 Management Analyst III
0 Supply Clerk (-1)
32 Positions (-1)
32.0 Staff Years (-1.0)

SYSTEMS AND CUSTOMER SERVICES

1 Management Analyst IV
1 Management Analyst III
2 Inventory Management Supervisors
1 Business Analyst III
1 Business Analyst II
1 Business Analyst I
1 Network Telecommunications Analyst I
1 Information Technology Technician I
1 Administrative Assistant V
1 Administrative Assistant IV
1 Buyer II
1 Property Auditor
1 Management Analyst II
14 Positions
14.0 Staff Years

(-) Denotes Abolished Position

DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

Agency Mission

To provide overall centralized material management and policies with decentralized implementation, emphasizing central policy control and selected delegation of tasks where appropriate. This includes purchasing, warehousing and distribution, mainframe purchasing system administration, procurement assistance and compliance programs, and excess and surplus property management, for the County government and Fairfax County Public Schools (FCPS), and such ancillary authorities as may be designated. To operate a centralized purchasing function in accordance with the Code of Virginia, the Fairfax County Purchasing Resolution, and generally accepted purchasing practices. To support the Board of Supervisors' Small Business Enterprise (SBE) Program.

Agency Summary					
Category	FY 2001 Actual	FY 2002 Adopted Budget Plan	FY 2002 Revised Budget Plan	FY 2003 Advertised Budget Plan	FY 2003 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	59/ 59	59/ 59	59/ 59	59/ 59	57/ 57
Expenditures:					
Personnel Services	\$2,592,891	\$2,768,570	\$2,720,461	\$2,909,077	\$2,827,377
Operating Expenses	843,046	1,003,781	913,417	1,223,205	1,183,291
Capital Equipment	6,860	0	0	0	0
Total Expenditures	\$3,442,797	\$3,772,351	\$3,633,878	\$4,132,282	\$4,010,668
Income:					
Contract Rebates	\$103,928	\$158,500	\$119,000	\$132,000	\$132,000
Total Income	\$103,928	\$158,500	\$119,000	\$132,000	\$132,000
Net Cost to the County	\$3,338,869	\$3,613,851	\$3,514,878	\$4,000,282	\$3,878,668

Summary by Cost Center					
Category	FY 2001 Actual	FY 2002 Adopted Budget Plan	FY 2002 Revised Budget Plan	FY 2003 Advertised Budget Plan	FY 2003 Adopted Budget Plan
Agency Management	\$590,496	\$692,608	\$604,476	\$732,744	\$672,103
Purchasing & Material					
Management	1,732,013	1,818,815	1,770,695	1,869,867	1,816,565
Systems & Customer					
Services	1,120,288	1,260,928	1,258,707	1,529,671	1,522,000
Total Expenditures	\$3,442,797	\$3,772,351	\$3,633,878	\$4,132,282	\$4,010,668

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2003 Advertised Budget Plan, as approved by the Board of Supervisors on April 29, 2002:

- ◆ A net decrease of \$121,614 and 2/2.0 SYE positions as part of the \$28.8 million Reductions to County Agencies and Funds approved by the Board of Supervisors to allow for a two-cent real estate tax rate reduction and to provide additional funding for the Fairfax County Public School system. These reductions include the elimination of 2/2.0 SYE positions, including 1/1.0 SYE Administrative Assistant III and 1/1.0 SYE Supply Clerk, resulting in savings of \$106,916 and the reduction of \$14,698 in consulting services and operating expenses.

DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

The following funding adjustments reflect all approved changes to the FY 2002 Revised Budget Plan from January 1, 2002 through April 22, 2002. Included are all adjustments made as part of the FY 2002 Third Quarter Review:

- ◆ A net decrease of \$188,618 as part of the \$24.2 million Reductions to County Agencies and Funds approved by the Board of Supervisors to address the FY 2002 revenue shortfall and increased public safety requirements. These reductions include:
 - Management of position vacancies, resulting in savings of \$48,109.
 - Reduction of \$133,009 from operating expenses by emphasizing web technology to minimize printing and mailing costs.
 - Elimination of capital equipment funding of \$7,500.
-

County Executive Proposed FY 2003 Advertised Budget Plan

Purpose

To secure high quality goods and services at reasonable cost, while ensuring that all purchasing actions are conducted in a fair and impartial manner with no impropriety or appearance thereof, that all qualified vendors have access to County business, that procurement procedures involve openness and administrative efficiency, and that the maximum feasible degree of competition is achieved.

To manage all supplies and equipment, except as excluded by formal agreement between the County and other public bodies. This includes inventory management of consumable supplies, disposition of excess and surplus property, and the physical accountability of fixed assets.

Key Accomplishments

- ◆ Achieved 100 percent customer satisfaction with the procurement card program.
- ◆ Established a manufacturer and distributor contract for furniture as the lead jurisdiction for the National Association of Counties, National League of Cities, U.S. Conference of Mayors, and the National Institute of Governmental Purchasing.
- ◆ Received \$301,000 in revenue from contract rebates, an increase of \$30,000 over FY 2000. It should be noted that a portion of the revenue was shared with the Fairfax County Public Schools based on their participation in the program.
- ◆ Revised the County's small and minority business classification codes to better reflect and capture small business participation in County contract expenditures.
- ◆ Continued to sponsor an introductory procurement class for customer departments, conducted by the National Institute of Governmental Purchasing.
- ◆ Conducted 16 procurement assistance reviews during which no significant compliance issues were detected.

DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

- ◆ Implemented an automated Notice of Solicitation (NOS) system that sends NOS letters to vendors directly from the mainframe purchasing system via email or U.S. mail, streamlining a formerly manual process.
- ◆ Assisted the Commonwealth of Virginia in developing technical requirements and selecting the contractor to operate eVA, the Commonwealth's electronic procurement portal.
- ◆ Procured an electronic document management and imaging system.
- ◆ Provided e-mail and Internet access to all Department of Purchasing and Supply Management employees, regardless of job location.

FY 2003 Initiatives

- ◆ Develop a web-based vendor application form to provide self-registration and self-maintenance of the database, and enhance the process of collecting vendor performance data.
- ◆ Enhance the County's corporate information systems with web-based graphical user interface software to allow the use of 'point-and-click' technology.
- ◆ Replace the County and Fairfax County Public Schools proprietary stock numbering system with an off-the-shelf and widely accepted stock numbering database.
- ◆ Participate in a pilot e-procurement portal.
- ◆ Develop electronic bidding and reverse auctioning capability.
- ◆ Implement the electronic document management and imaging system.
- ◆ Develop and implement a "Contract Administration" training course for program staff that addresses the rules and responsibilities of the contracting function.
- ◆ Develop and administer a "vendor survey" which will provide qualitative information on the County's procurement program from the vendor's perspective. This information will also be provided to the Small Business Commission.
- ◆ Form an Inventory Management Focus Group to address inventory management issues.
- ◆ Sponsor and deliver a monthly workshop, "Selling to the County of Fairfax," in conjunction with the Fairfax County Small Business Commission. The workshops are part of a continued outreach program, intended to maximize prime and subcontract opportunities for small and minority-owned businesses.
- ◆ Utilize established formal solicitations timeline "standards" as performance measures for all solicitations. These standards will be published to establish customer expectations and build an understanding of the critical milestones in the process.

DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

Performance Measurement Results

In FY 2001, the Department of Purchasing and Supply Management achieved nearly all of the department's performance objectives. The remarkably low number of valid protests submitted evidences the professionalism and quality of the procurement program. In FY 2001, the Department maintained the cost to purchase \$100 of goods and services at less than \$0.50 for the fourth straight year with constant resources and a steadily increasing value of procurement transactions. This indicator demonstrates the return on investment in information technology innovations and overall program efficiency.

Each year, the Department of Purchasing and Supply Management conducts a Customer Satisfaction Survey. In response to customer concerns about the time requirements for the formal solicitation process, a new outcome measure has been developed to capture information about the process. The revised objective targets completion of 95 percent of all formal solicitations within the department's established standard.

Rebate revenues generated through the procurement card program and the various contracts awarded under the auspices of the National Association of Counties and the U.S. Communities organization, including the Office Depot contract, grew to \$301,000 in FY 2001 and are anticipated to increase to \$359,000 by FY 2003. The increased revenue in this area is the result of expanding sales volume and increased participation by other local governments taking advantage of the Government Purchasing Alliance contracts made available through U.S. Communities. As this program only began in FY 2000, revenue projections have been difficult to develop due to the limited program history available.

In FY 2001, the Department of Purchasing and Supply Management was again successful in meeting the objective of maintaining a fixed and consumable inventory tracking accuracy rate of at least 98 percent. This measure reflects the reliability of data reported into the inventory databases and the quality of the program oversight.

Funding Adjustments

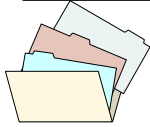
The following funding adjustments from the FY 2002 Revised Budget Plan are necessary to support the FY 2003 program:

- ◆ An increase of \$140,507 in Personnel Services associated with salary adjustments necessary to support the County's compensation program.
- ◆ An increase of \$224,858 in Operating Expenses for Information Technology infrastructure charges based on the agency's historic usage and the Computer Equipment Replacement Fund (CERF) surcharge to provide for the timely replacement of the County's information technology infrastructure.
- ◆ A net decrease of \$48,079 in Operating Expenses not required in FY 2003 primarily due to the one-time carryover of FY 2001 unexpended CMI savings.

The following funding adjustments reflect all approved changes to the FY 2002 Revised Budget Plan since the passage of the FY 2002 Adopted Budget Plan. Included are all adjustments made as part of the FY 2001 Carryover Review and all other approved changes through December 31, 2001:

- ◆ As part of the *FY 2001 Carryover Review*, \$42,645 in Operating Expenses and \$7,500 in Capital Equipment for unencumbered carryover were associated with unexpended Close Management Initiatives (CMI) savings.

DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT



Agency Management

Goal

To provide overall centralized material management and policies with decentralized implementation, emphasizing central policy control and selected designation of tasks. This includes purchasing, warehousing and distribution, mainframe purchasing system administration, procurement assistance and compliance programs, and excess and surplus property management for the County government and the Fairfax County Public Schools (FCPS) and other ancillary authorities. To operate a centralized purchasing function in accordance with the Code of Virginia, the Fairfax County Purchasing Resolution, and generally accepted purchasing practices. To support the Board of Supervisors' Small Business Enterprise (SBE) Program.

Cost Center Summary					
Category	FY 2001 Actual	FY 2002 Adopted Budget Plan	FY 2002 Revised Budget Plan	FY 2003 Advertised Budget Plan	FY 2003 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	12/ 12	12/ 12	12/ 12	12/ 12	11/ 11
Total Expenditures	\$590,496	\$692,608	\$604,476	\$732,744	\$672,103

Objectives

- ♦ To maintain the percentage of formal contract actions awarded without valid protest or legal actions at 98 percent or better.
- ♦ To maintain the cost of procuring \$100 worth of goods or services at \$0.50 without a degradation of service.

Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate/Actual	FY 2002	FY 2003
Output:					
Formal contractual actions processed ¹	415	647	650 / 779	750	700
Value of purchase orders, procurement card, and Internet transactions processed (millions)	\$329.4	\$381.1	\$384.0 / \$388.8	\$396.0	\$404.0
Efficiency:					
Cost per formal contractual action	\$120	\$72	\$120 / \$66	\$61	\$64
Cost per \$100 of goods or services procured	\$0.48	\$0.47	\$0.50 / \$0.47	\$0.50	\$0.50
Service Quality:					
Percent of contractual actions receiving valid protest	0.2%	0.2%	0.2% / 0.1%	0.2%	0.2%
Percent of customers indicating satisfaction with service	93%	97%	95% / 93%	95%	95%

DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate/Actual	FY 2002	FY 2003
Outcome:					
Percent of formal contractual actions awarded without valid protest	96.6%	99.8%	96.6% / 99.9%	98.0%	98.0%
Percent change in cost to procure \$100 of goods or services	0.0%	(2.5%)	6.4% / 0.0%	0.0%	0.0%

¹ Beginning in FY 2000, these data reflect the number of formal contract awards, not the number of solicitations as previously reported.



Purchasing and Material Management

Goal

To acquire goods and services for County agencies and Fairfax County Public Schools (FCPS) at an optimum combination of price, quality, and timeliness; to provide central warehouse services of storage, distribution, and supply to County agencies in a timely manner and in accordance with generally accepted professional material management standards; and to redistribute excess property generated by County activities to avoid costs and dispose of surplus property generated by the County and FCPS in a timely manner, while maximizing return.

Cost Center Summary					
Category	FY 2001 Actual	FY 2002 Adopted Budget Plan	FY 2002 Revised Budget Plan	FY 2003 Advertised Budget Plan	FY 2003 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	33/ 33	33/ 33	33/ 33	33/ 33	32/ 32
Total Expenditures	\$1,732,013	\$1,818,815	\$1,770,695	\$1,869,867	\$1,816,565

Objectives

- ◆ To increase by two percentage points, the percent of purchase requisitions (PR) completed against a valid contract within 10 days from 92 percent to 94 percent, toward a target of 98 percent.
- ◆ To complete (from issue to award) 95 percent of all formal solicitations processed within the DPSM established standard.

DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

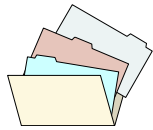
Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate/Actual	FY 2002	FY 2003
Output:					
Purchase requisitions converted to purchase orders ¹	18,562	6,256	6,300 / 6,101	6,000	6,000
Replacement costs avoided by redistributing property	\$45,570	\$86,570	\$80,000 / \$156,080	\$85,000	\$85,000
Proceeds generated from auction of surplus property (millions)	\$1.10	\$1.20	\$1.10 / \$1.21	\$1.20	\$1.20
Contractual actions processed	415	647	650 / 779	750	700
Efficiency:					
Purchase requisitions converted to purchase orders per buyer staff	1,428	481	485 / 469	460	460
Formal solicitations managed per buyer	41	49	50 / 60	55	58
Service Quality:					
Percent satisfaction with purchase order processing based on annual customer satisfaction survey ²	91%	93%	95% / 85%	95%	95%
Percent satisfaction with timeliness of process to establish a contract	67%	78%	85% / 75%	90%	90%
Outcome:					
Percent of requisitions completed within 10 days	85.7%	87.1%	90.0% / 90.7%	92.0%	94.0%
Percent of formal solicitations completed within the established procurement schedule.	NA	NA	NA / NA	95%	95%

¹ Prior year actual data and all future years include purchase order (PO) documents only. Trend reflects increased activity in use of procurement card.

² Decrease in customer satisfaction attributed to change in data collection process. Survey issued to all customers in even years and to a sample in odd years.

DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT



Systems and Customer Services

Goal

To provide system management and administration to all County and FCPS users of the mainframe-based *County and Schools Procurement System* (CASPS) necessary to effectively meet their business mission; provide management and technical oversight of the Department's Local Area Network (LAN); provide procurement assistance and Procurement Opportunities List registration support to the County's vendor/business community; and provide centralized assistance and oversight to the County/FCPS inventory management, procurement, and property accountability/fixed asset program managers.

Cost Center Summary					
Category	FY 2001 Actual	FY 2002 Adopted Budget Plan	FY 2002 Revised Budget Plan	FY 2003 Advertised Budget Plan	FY 2003 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	14/ 14	14/ 14	14/ 14	14/ 14	14/ 14
Total Expenditures	\$1,120,288	\$1,260,928	\$1,258,707	\$1,529,671	\$1,522,000

Objectives

- ♦ To accurately track and maintain the County's consumable and fixed assets inventories, maintaining an accuracy rate of at least 98 percent.
- ♦ To increase the use of electronic commerce (Electronic Data Interchange (EDI), Internet ordering, and procurement card) for delivering orders to vendors with a target of delivering more than 80 percent of the orders via electronic commerce and achieving 95 percent of rebates.
- ♦ To maintain a help desk customer satisfaction rate of 98 percent by reducing the average time to close each call from 12 to 11 hours, and reduce the percentage of help desk calls by 12.5 percent.

Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate/Actual	FY 2002	FY 2003
Output:					
Line items carried in consumable inventory account	18,800	18,585	18,500 / 17,100	17,000	16,900
Fixed assets in the Capital Equipment Account ¹	NA	7,259	8,000 / 7,260	7,750	8,250
Small Purchase Orders and Purchase Orders sent via EDI	506	3,765	4,300 / 3,219	3,300	2,900
Percent of office supply orders submitted via Internet	24%	47%	80% / 58%	80%	62%
Value of procurement card purchases (in millions) ²	\$1.8	\$23.6	\$25.0 / \$26.7	\$27.5	\$30.5
Assistance/help desk calls received/processed	2,700	1,102	1,100 / 882	800	700
Rebates and incentives received	\$0	\$271,000	\$375,000 / \$301,000	\$327,000	\$359,000

DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate/Actual	FY 2002	FY 2003
Efficiency:					
Cost per line item to maintain consumable inventory accuracy of at least 95%	NA	\$3.66	\$3.67 / \$4.14	\$4.27	\$3.88
Cost per fixed asset to maintain at least 95% inventory accuracy	NA	\$14.84	\$13.46 / \$14.77	\$14.26	\$7.51
Cost per \$1 of rebate received	NA	\$0.20	\$0.21 / \$0.26	\$0.23	\$0.22
Average time to close each help desk call answered (hours) ³	NA	2.4	2.2 / 13.5	12.0	11.0
Service Quality:					
Percent of customers rating consumable inventory tracking as satisfactory or better ⁴	94%	97%	95% / 86%	95%	95%
Percent of customers satisfied with the procurement card program	97%	98%	98% / 100%	98%	98%
Percent of help desk calls closed in one day or less	NA	87%	88% / 85%	90%	90%
Percent of customers rating help desk as satisfactory or better	87%	85%	95% / 100%	98%	98%
Outcome:					
Percent of consumable items accurately tracked	97%	97%	98% / 98%	98%	98%
Percent of fixed assets accurately tracked	100%	100%	98% / 100%	98%	98%
Percent of rebates achieved relative to plan ⁵	NA	178%	95% / 80%	95%	95%
Percent change in calls for help desk assistance	(61.4%)	(59.2%)	(0.2%) / (20.%)	(9.3%)	(12.5%)

¹ Increase in fixed assets in FY 2003 include Capital Equipment for the Fairfax County Public Schools.

² FY 1999 actual represents County expenditures only. FY 2000 actual and FY 2001 actual and all future years include County and FCPS purchases.

³ In FY 2001, DPSM transitioned from a manual call collection system to Quintus, an automated system. The Quintus recording method operates on a 24-hour clock, which includes non-working hours.

⁴ Decrease in customer satisfaction attributed to change in data collection process. Survey issued to all customers in even years and to a sample in odd years.

⁵ FY 2001 planned contract rebate revenues were overestimated, due to limited data.